

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1915 - SB 2308

February 9, 2014

SUMMARY OF BILL: Sets a minimum reimbursement rate to counties for housing convicted felons. Sets a reimbursement rate of \$38.00 for January 1, 2015 to June 30, 2015 and increases the rate by \$1 each fiscal year to \$42.00 by July 1, 2018.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$1,409,700/FY14-15
\$5,639,000/FY15-16
\$8,458,500/FY16-17
\$11,278,000/FY17-18
\$14,097,500/FY18-19 and Subsequent Years

Increase Local Revenue – \$1,409,700/FY14-15
\$5,639,000/ FY15-16
\$8,458,500/FY16-17
\$11,278,000/FY17-18
\$14,097,500/FY18-19 and Subsequent Years

Assumptions:

- According to the Department of Correction (DOC), the FY14-15 budget appropriated funds for reimbursement equivalent to 11,352 felons being housed in local jails. The DOC assumes that 32 percent ($11,352 \times .32 = 3,632.64$) of the felons are housed at Davidson-CCA and Shelby Correctional Center where reimbursement is based on the actual cost of housing inmates per day and will not be impacted by the proposed legislation.
- The proposed legislation will affect the reimbursement rate for approximately 7,719.36 felons each year. It is assumed that the population will not increase or decrease from 2015 through 2018.
- The first increase in the minimum reimbursement rate occurs between January 1, 2015 and June 30, 2015 (182.625 days). The rate will be raised \$1 to \$38.
- The increase in state expenditures for FY14-15 is \$1,409,748.12 ($182.625 \text{ days} \times 7,719.36 \text{ felons} \times \1).
- The minimum reimbursement rate for FY15-16 will be \$2 more than the current rate.
- The increase in state expenditures for FY15-16 is \$5,638,992.48 ($365.25 \text{ days} \times 7,719.36 \text{ felons} \times \2).

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- The minimum reimbursement rate for FY16-17 will be \$3 more than the current rate.
- The increase in state expenditures for FY16-17 is \$8,458,488.72 (365.25 days x 7,719.36 felons x \$3).
- The minimum reimbursement rate for FY17-18 will be \$4 more than the current rate.
- The increase in state expenditures for FY17-18 is \$11,277,984.96 (365.25 days x 7,719.36 felons x \$4).
- The minimum reimbursement rate for FY18-19 and subsequent years will be \$5 more than the current rate.
- The increase in state expenditures for FY18-19 and subsequent years is \$14,097,481.20 (365.25 days x 7,719.36 felons x \$5).
- There will be a corresponding increase in local revenue equal to the increase in state expenditures for each fiscal year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

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